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[This is the web site of the reconstituted Socialist Party of Great Britain who were expelled from the Clapham-based Socialist Party in May 1991 for using the name "The Socialist Party of Great Britain" in our propaganda as required by Clause 6 of The Object and Declaration of Principles formulated in 1904 to which we agree. We reconstituted ourselves as The Socialist Party of Great Britain in June 1991. Any money given to us for literature or support is in recognition that we are not the Clapham based Socialist Party at 52 Clapham High Street and any mistakes will be rectified.]

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Iraq's Agony

The catalogue of lies told by Bush and Blair and their governments about their war of terror against Iraq goes beyond their false allegations about WMD (Weapons of Mass Destruction), and the fanciful nonsense that an attack could have been launched against the West in 45 minutes.

It is a lie to say that the war had anything to do with 'liberation', and the shift away from WMD to getting rid of a tyrant ('regime change') was another lie. When Saddam used gas and chemicals on Halabja Kurds in March 1988, killing 5,000, he was the ally of the US against Iran (CEEFAQ, 10 September 2004). It was the CIA who had helped him to seize power, and both the US and UK supplied him with armaments during the 1980s, and encouraged his war against Iran.

Sustained and intense bombing is the US/UK chosen way to make the world "*safe*" and Iraq "*free*", and grab the oil. To suggest that Britain and America have any principled opposition to mass-murder and committing atrocities is to swallow more propaganda lies.

For instance, during the 1960s, US forces used thousands of tons of toxic chemicals, including Agent Orange, over 3 million acres of South Vietnam. At least 2 million people were affected by these highly carcinogenic poisons, which also created reproductive abnormalities and immunological disorders (William Blum, ROGUE STATE, p105). This is just the tip of the US atrocities iceberg.

In the first war against Iraq (1991), Colin Powell, who was Chairman of the Joint Chiefs of Staff, destroyed two live nuclear reactors. This was actually prohibited by the UN because of the probable contamination. When asked a question about the number of Iraqis killed in the war, he replied: "*It's really not a number I'm terribly interested in*" (ROGUE STATE, p69). In that war, the US forces also used huge quantities of depleted uranium shells, and DU pollution has affected the health of thousands of Iraqi children. Add to all that a decade of genocidal sanctions which

cut off Iraq's ability to import basic medical and surgical supplies, or repair its power and water supply systems. Yet those Americans who voted again for Bush apparently did so in the name of their lofty "moral values"!

Recent figures for people killed in the current slaughter campaign in Iraq (published on THE LANCET website) go as high as 100,000, mostly women and children. Britain's Jack Straw said it is more likely to be only 15,000. So - that is between 5 times and 30 times as many as were killed in New York in September 2001. This is US/UK 'liberation'! No candle-lit vigils or annual remembrance reunions for these victims of capitalist insanity.

The Americans claim to be using "positive targetting" and "precision bombing". In the first Gulf War (1990-1991), when they said they were using "smart bombs", they still managed to kill indiscriminately, with a fair number of "friendly fire" casualties among their own forces and those of their allies, not to mention wholesale slaughter of the unfortunate Iraqis, including civilians.

As overwhelming force is applied against Fallujah, 40 miles from Baghdad, other cities and towns become labelled as "terrorist strongholds", "hotbeds of anti-US resistance". And when the war in Iraq is finished with, there will be other candidates for Bush's doctrine of "pre-emptive" attack - Iran and North Korea, for instance.

Colin Powell wasted no time telling the world that Bush will continue his aggressive foreign policy and will not hesitate to act alone. This is in spite of the fact that the UN Secretary General, Kofi Annan, had declared the current conflict to be illegal, being contrary to the United Nations Charter. But those who have power make the rules and the laws, in their own interest, and when convenient they ignore the treaties they themselves have signed up to.

Meanwhile, in the madhouse outside Iraq, Pakistan, another close ally of the US/UK, jailed a man for life for burning a copy of the Koran. And America's buddies in Israel get away with building a 500-mile razor-wire fence, not in Israel but inside Palestine.

Yes, kidnapping, beheading and car-bombs are also barbaric, but all that has followed from the first cause - the invasion. Injustice and violent occupation result in an inevitable reaction: a resistance movement which is likely to be as ruthless in its methods as any previous terrorist organisations. Such movements rely on nationalism and religion to motivate their followers.>

The important lesson we can draw from the history of all past wars and occupations is that wars are not fought in the interest of the working class - neither the impoverished semi-conscripts of the US armed forces, nor the even more impoverished people of Iraq can hope to gain anything from this war. The spoils of victory will be for their masters to squabble over, while the squaddies and freedom-fighters are still recovering from their wounds, years after.

The ownership and control of Iraq's oilfields and huge untapped oil reserves, in Iraq's vast western deserts, will definitely not be shared out among the workers but will remain the preserve of the high and mighty, the rulers and their hangers on.

The workers of the world continue to tolerate capitalism at their peril.

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Socialism - Not Labourism

Socialism does not lend itself to a series of various definitions. It means something very specific. It is the system of society that will supersede world capitalism. Whereas capitalism is characterised by class-ownership of the means of production, by employers (state or private) and employees, by the wages system, markets and profits, Socialism means the abolition of all these features of capitalism.

Socialism, by definition, will be classless, worldwide and, being based upon commonly owned means of production, will mean that the fruits of social co-operation will be freely available according to need. To seek to introduce into Socialism the state, money, or the wages system would invalidate your concept of Socialism. You would be merely

reconstructing capitalism.

Nor is it valid to argue that Socialism can be an "ultimate" aim while, "in the meantime", a programme of "immediate demands" must take priority for the improvement of capitalism. A Socialist Party can have only one objective - Socialism, recognising that capitalism cannot be made to work in the interests of the class it exploits.

The Labour Party did not abandon Socialism - it has never embraced it. What it did was every bit as shameful: for reasons of rotten expediency, the Labour Party allowed the name of Socialism, void of its substance, to be attached to and associated with its tin-pot schemes, including nationalisation, for running capitalism.

The Labour Party has never been a Socialist party. Its policies have always been reformist, aimed at gaining power under capitalism.

Historically, the Labour Party's fortunes developed as those of the old Liberal Party declined. This was the result of years of political trading with the Liberal enemies of the working class. Deals were made to support Labour candidates where no Liberal candidate was standing. The early experience of Labour in government in 1924 and 1929 was the result of Liberal support.

Political trading necessarily means there is common ground between the parties involved. This alone shows the Labour Party to be a capitalist party steeped in compromise, aiming for votes from any source. The perpetuation of working-class confusion is a necessary precondition for such a party. It clearly has never been able to appeal for the Socialist votes of a class-conscious electorate.

Old and New Labour

It is vital for workers to understand that the Labour Party of the 21st century that is up to its neck in capitalism, supporting, even promoting, its wars, and arming it with nuclear weapons, while tinkering with poverty and all the other miserable effects of this system, is the same Labour Party of a century ago. The same party that supported two world wars in coalition with the real enemies at home. The party that started the Harwell nuclear establishment and launched British capitalism as a nuclear power. The party that in Government repeatedly used troops to break strikes between 1945 and 1951, and subsequently, and was prepared to do so in 2004. The party whose wage-freezes in the 1960s and wage restraint in the 1970s culminated in the winter of discontent which brought about the inglorious defeat of the Callaghan government, and led to 18 years of Tory power.

John Prescott said: "*our achievements in six years would have been celebrated by the Labour Party at any time in its hundred years history*" (2 October 2003, CHANNEL 4 NEWS). There were no details of what achievements but Prescott was right. Outside Labour's 2003 Conference, there were 2500 workers marching to show the number of jobs lost each week in manufacturing. The elderly were protesting about pensions and poverty, and anti-war demonstrators were protesting against the Blair government's involvement in the war on Iraq.

Similar issues were raised by demonstrators outside Labour's 2004 Conference whilst, inside the Conference and at 'fringe' meetings, their commercial sponsors provided 'delegates' with freebies, food and drink, and Government Ministers and their upwardly mobile advisors with captive audiences.

Tony Blair has repeatedly declared the world to be a safer place since the war on Iraq and the removal of Saddam Hussein. Bombing and mass killing by the Americans and the 'insurgents' is a daily occurrence in what Blair calls liberated Iraq. Our greater safety includes tanks patrolling at Heathrow, heavily-armed police at every major air and sea port, Parliament likewise guarded by armed police, anti-terror laws with indefinite detention without trial, and every UK home sent a government booklet on what to do in the event of attack by chemical or biological weapons.

Leading Nowhere

At a press conference (4 Sept. 2003), Blair declared: "*I believe in what I'm doing*". Blair embodies all the features that demonstrate the separation of those who lead from those who follow. At the Labour Party's Bournemouth

conference in 2003, he got a two-minute standing ovation before he even spoke. This Kremlin-style slavish ritual was repeated at their Brighton conference this year.

A standing ovation for Blair (or indeed any other leader) is an expression of support for capitalism.

There is a lesson to be learned by all those who follow leaders - Blair or any of the others. Albert Speer, who was Hitler's armaments minister, wrote:

There is a special trap for every holder of power, whether the director of a company, the head of a State, or the ruler of a dictatorship. His favour is so desirable to his subordinates that they will sue for it by every means possible. Servility becomes endemic among his entourage, who compete among themselves in their shows of devotion. This in turn exercises a sway upon the ruler, who becomes corrupted in his turn.

INSIDE THE THIRD REICH, p132 (Speer's emphasis)

Reforms Fail, Poverty Continues

The truth is that Labour's quagmire exists because of their commitment to continuing capitalism. The members and supporters of the Labour Party have yet to learn the distinction between revolution and reformism.

Nowhere has reformism solved any major social problem, despite successive generations of legislation. Nowhere has it failed more spectacularly than in the attempts at poor-relief, reforms aimed at ending poverty.

From the first Poor Laws of 1597-98 and 1601, Longman's MODERN BRITISH HISTORY by Cook and Stevenson lists forty-five Acts of Parliament, up to 1994, dealing with the effects of poverty. The 1834 Poor Law Amendment Act laid down that:

The workhouse regime was to be made as spartan as possible to discourage all but the truly needy from applying for relief (p168).

The first Old Age Pensions Act (1909) provided for people over seventy, with incomes less than £31.10s a year, to be paid 5 shillings per week (25p a week in today's terms), roughly £1 a month or £12 per annum (p169). Means-testing for unemployment benefit was introduced by the National Government in 1931. That government included Labour Party members, and was formed by Labour leaders when their 1929 Cabinet split over the issue of cutting unemployment benefit.

All these things have their echo in present-day capitalism. The humiliation of means-testing is still with us and, after more than five hundred years of reform legislation, poverty conditions are still blighting the lives of millions of working-class people.

On the very day that Parliament debated fox-hunting for the ninth (!) time, the National Consumer Council reported that people in poor families die nearly 10 years earlier than the well-to-do. The NCC report described more than a million people in Britain having to struggle to pay for essential goods and services; children living in unfit or emergency housing; ten million people below the poverty-line and around eight million on less than £10,400 a year, unable to afford essentials such as furniture. Nearly two million cannot heat their homes properly, resulting in 50,000 deaths a year. And around 750,000 cannot afford prescription charges. These distressing details about the fourth wealthiest country in the world, after seven years of Labour government, were published in the DAILY MIRROR (15 September 2004).

Back in 1961, the Labour Party Conference published its policy statement, SIGNPOSTS FOR THE SIXTIES. At that time, they still had three more years in opposition before them. Setting up their stall of reforms for what they saw as the big problems seemed the thing to do. There was to be: "... *a new approach to social security, equality of education opportunity and fair taxation*" (p5). They bemoaned the treatment of the poor as a national disgrace, said the NHS had ceased to be free, and ironically stated:

As for pensions and other benefits, the increases tardily conceded [by the Tory government] barely take account of

inflation, let alone of the increase in the national income.

Claiming that seven to eight million people were living close to poverty, they said:

Most of this poverty is concentrated among those who rely on State benefits - the old age pensioners, the chronic sick, the widowed mother with young children, the handicapped and other defenceless groups (p24).

This could all have been taken from today's newspapers - in fact, it is forty-three years old. This shows how reformism is simply wasted time. Labour governments have served no working-class interest.

Let's Have Socialism

The revolutionary is left to denounce the system the reformist seeks to retain. The SPGB cannot be accused of being wise after the event. The Party published pamphlets explaining the futility of welfare reforms even before the Beveridge Plan was enacted. The SPGB's 1943 pamphlet, BEVERIDGE RE-ORGANISES POVERTY, said on the front cover: "*This pamphlet shows that the Beveridge Plan will not end the poverty of the working-class. It is not a 'new world' of hope but a redistribution of misery*".

Another The SPGB pamphlet, NATIONALISM OR SOCIALISM? (1945), exposed the fraud of state-run capitalism being passed off as Socialism. And in January 1946 the Party published another pamphlet: IS LABOUR GOVERNMENT THE WAY TO SOCIALISM? This pamphlet showed the connection between the failure of Labour and Social Democratic governments, and the consequent despair that leads to fascism and dictatorship.

As if to confirm that capitalist history repeats itself, it was reported (17 September 2004, TELETEXT) that the BNP, successor to the racist National Front, had defeated the Labour Party in the Barking and Dagenham council by-elections. That 1946 pamphlet concluded:

Labour supporters... believe that a Labour Government can keep capitalism but remove its evil consequences. This is a belief that actual, bitter experience will show to be an illusion. *Capitalism must be abolished. Socialism is the only hope of the world working class* [emphasis in the original].

Labour Voters - Please Note

Labour Party conferences do not determine Labour Party or government policy. What goes into the Manifesto will be decided by a Downing Street clique centered around Alan Milburn with Brownites seeking input.

The membership decide nothing. Remember when Gaitskell lost on unilateral nuclear disarmament in 1960? Conference did as it was told. This year, nationalisation of the railways, a failed nostrum of the past, got 63% Conference support - but will be ignored.

The nodding donkeys will do all the door-to-door, day-to-day, work to get the leaders and their parliamentary voting fodder re-elected. So that they, the rank-and-file, can continue to be treated with contempt. Election over - nothing to do but rehearse for next year's standing ovations!

However democratic the Labour Party became, it could never become a Socialist party. The membership are all of them committed to policies of reform, and none of them support the work of Socialists in advocating Socialism and nothing but Socialism.

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European Elections: Real Interests & Side Issues

If there was any fear that capitalist politics was becoming discredited, or that workers were beginning to wise-up to this, it would be an alarming prospect for the capitalist class. The mass press and television are ever ready to redirect

working class ideas towards the party in 'opposition'. If political apathy and disillusionment reach a point where turnout at the polls seriously declines, then the past incompetence and failures of the 'opposition' when in power must be played down, and fresh hope invented. The fact that, in practice, they are all virtually identical must not be allowed to take hold among the exploited victims who vote for them.

That wars and weapons build-ups, crises, unemployment, homelessness and instability are the constant features of capitalism, whichever party is in power, has to be played down if the squalid rat-race is to be kept going.

Blair and his Labour government may be war-criminals, with at least three major bloody wars in seven years of power. But if Mr Blair is photographed with schoolchildren and reported making policy statements about education, health-care, crime and public transport, all the dead children and destroyed cities can be forgotten, and the government will quite literally get away with mass murder.

It is the task of Socialists to persuade workers that capitalism cannot function in their interests, and that they must use their votes consciously and democratically to end this system and replace it with Socialism. The same mass-propaganda machine that is used to promote the political parties of capitalism is also used to misrepresent Socialism, which is falsely portrayed as meaning nationalisation, state-dictatorship, and schemes of so-called social welfare.

Trade Secretary Patricia Hewitt appeared on BBC QUESTION TIME (20 May 2004), on an invited panel including representatives of the Conservatives, the United Kingdom Independence Party, the Green Party and the Lib-Dems. To the statement that the bloodbath in Iraq would be a major factor in the June elections, she said she wanted domestic issues to be foremost. In discussing the EU constitution, every conceivable argument - about "*Britain at the heart of Europe*", closer or looser relations, to stay in or get out of the EU, and "*getting the best for Britain*" - was trotted out yet again. The audience showed the panel's lack of sophistication.

The real questions of capitalism in Europe and in Britain, of expanding capitalist trade inside and outside of Europe, were not mentioned. The fact that demand for oil and other resources is also expanding, with China and India consuming a rapidly growing slice of the world resources, and America, Russia and Japan not about to go away, means that capitalism with its inherent dangers remains the real threat confronting mankind.

Patricia Hewitt said: "*a strong EU built the peace we have enjoyed for sixty years.*" She should try selling that story to the people of Korea, Vietnam, Laos, Afghanistan, Iraq and the former Yugoslavia which, at the heart of Europe, suffered day and night bombing for eleven weeks in 1999, carried out by NATO, under the direction of with Clinton and Blair.

A BBC programme titled ONE DAY OF WAR (27 May 2004) referred to seventy wars currently raging around the world. Among those about which some details were given were Uganda where kidnapping, rape and murder of thousands of children is committed by the Lord's Resistance Army; Sudan where Arab Muslims rape and murder black Muslims with 10,000 reported dead; and the so-called Democratic Republic of the Congo where in seven years 4 million have been killed, the highest death toll of the last half-century. Israel's war-crimes against occupied Palestine were also mentioned; this must be the longest-running and most barbaric of post-1945 conflicts, and is sponsored by America and Britain which both supply Israel's modern weapons.

In most of these wars, the United Nations and politicians like Patricia Hewitt are prepared to ignore that which is unpalatable or in which the major world powers have no vital economic interest.

Another aspect of capitalism's failures was revealed by the Conservative mayoral candidate who said: "*Everywhere I go in London, people tell me they don't feel safe on their own streets any more... That's why cutting crime is my top priority.*" This, after eighteen years of Tory government (to go back no further) and seven years of Labour government. There have been innumerable anti-crime 'initiatives' but the problems remain. This is typical of every area of social chaos under capitalism. Generations of failed reforms but no recognition that capitalism breeds chaos, and that crime is inseparable from a class society with contrasts of wealth and deprivation.

Opportunists such as these, who concentrate on particular policies to "*deal with*" the effects of the system while supporting the system as a whole, appeal to superficial voters who are as politically ignorant as they are. This contention is borne out by the "*business as usual*" outcome of all elections whether for the EU, local councils, the

London Authority or national governments.

Capitalism, not having been challenged at the polls, in all essentials remains the same. Class-ownership of the means of production condemns the overwhelming majority to being employees, hired and fired according to the prevailing winds of world trade and the profitable sale of commodities. All the other nightmares of capitalism - poverty, nationalism, militarism and wars - derive directly from this class basis of existing society.

It follows that votes cast in ignorance for power-seeking politicians can serve no useful working-class purpose. Emancipation from the thralldom and slavery of the wages system is the real issue demanding working class attention.

What makes all the other parties superficial and useless to the working class is that all their policies are fashioned on the assumption that capitalism must continue. They all address particular effects of the system as if they can be modified to render the system less barbaric and inhuman.

Capitalism defies all their petty schemes and promises. Elections come and go, and, as disillusionment threatens the older parties, capitalism is given a new lease of life by new parties such as the United Kingdom Independence Party (UKIP), the Green Party, the British National Party (BNP), and Respect (the leftwing Unity Coalition).

They all have programmes full of reform proposals concerning "*cheap public transport*", "*decent pensions*", "*scrapping the council tax*", "*crime and anti-social behaviour*". The Green Party, for example, had thirteen such frivolous proposals aimed at catching votes, including one which said: "*work for an affordable London with action to end poverty*".

UKIP make their central demand getting Britain out of the European Union. But they are far from being the only party to wrap themselves in the flag of British nationalism. The BNP, in common with all the major parties, makes flags and nationalism part of its "appeal". In the early days of the Common Market, both the "Communist" Party and the National Front (the BNP's predecessor) opposed British membership and both used the flag to show their national credentials, even if, in the case of the CP, their real concern was trade with Russia.

UKIP's appeal to crude nationalism is nothing new. In fact, none of the 25 countries in the EU has abandoned nationalism. In all the years before the EU, when Britain made its own laws and was not subject to remote bureaucracy from Brussels, which is what UKIP seeks to get back to, UK workers had no more say about how the system was run than they do now. They were, as they are now, subject to exploitation and poverty.

All the newer parties help to generate confidence that capitalism can be made 'fair' by idealistic dreams of "*closing the gap between rich and poor*", and by such vague nostrums as "*a liveable wage*". The illusion is promoted that peace and civil rights can be secured by "*treaties on weapons of mass destruction*" and opposition to "*aggressive unjust wars*". Such is the shallow thinking of the Green Party about how capitalism works.

If slogans and catch-phrases could modify capitalism, "*No More Lies, No More War*" should do the trick - this is from Respect whose EU candidate, George Galloway (a former Labour MP), claimed: "*we want a Europe based on need not profit, where we can all share in the wealth of society.*" This little piece of cloud-cuckoo-land is to be achieved by nationalising public services and raising "*the minimum wage to the European Decency Threshold of £7.40*".

This so-called Decency Threshold has not ended poverty and unemployment in Europe. In the real world, outside of reformist fantasies, wages are the badge of working-class servitude. Where wages exist, profits exist, and wealth is produced, as commodities, by employees for a class of employers who own the means of production.

The society where these conditions obtain is called capitalism wherein the 'share' of the majority is limited by their wages, the price at which they sell themselves on the labour-market to people like those named in THE MAIL ON SUNDAY'Ss RICH REPORT 2004 of Britain's 300 wealthiest. Of these, number 4 is one Lakshmi Mittal with £3.1 billion. He donated £125,000 to the Labour Party in June 2001. Number 75 is Richard Desmond (a porn press baron), with a mere £495 million (£120 million up on last year). Then at number 83, we find Prince Charles, £433 million - this is a £51 million increase on last year.

All these people have huge amounts of capital, which itself derives from past exploitation and gives them continuing access to masses of surplus-value - wealth in excess of total wages, produced by wage-labour, and accruing to the capitalist class. *NB If a worker did forty hours per week on the "Decency Threshold" of £7.40 an hour, and spent nothing, it would take him one thousand years to earn £15,392,000.* Under capitalism, Mr Galloway, some shares will always be "more equal" than others.

Socialism has nothing to do with such sharing. When the means of production are commonly owned by the whole of society, production will be solely for use and free access will mean exactly what it says.

The newer parties are no more of a threat to capitalism than the older ones. By joining the rat race for working-class votes, they only prolong the agony of this system by pretending to be different and creating the illusion of an alternative.

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They Call It Democracy

north south east west
kill the best and bury the rest
it's just spend a buck
to make a buck
you don't care a flying f...
about the people in misery
Bruce Cockburn, Call it Democracy

So it continues: capitalism with its mode of production where profit is primary and people are secondary; where the interests of the capitalist class minority are primary and the interests of the working class majority are secondary; where the accumulation of the world's wealth into fewer and fewer capitalist hands is primary, while the spread of poverty increases amongst the world's workers is secondary.

Until this accumulation of wealth reaches yet another saturation point and yet another economic crisis, when another recession rears its characteristic head, and this then becomes primary. Throughout all the normal operations of capitalism during its booms and busts, it is the interests of the working class, those whose labour alone produces the world's wealth, it is their interests that at all times are secondary to the primary interests of the parasitic and laboriously idle capitalists. Therein should lie the primary reason to change capitalism.

Yet this is not apparent to the working class. Change is necessary. When a baby soils its diaper, it is changed by cleaning up the mess and putting on a new diaper, but when the capitalist class soils the lives of the working class it does not endeavour to clean up the workers' problems. In fact it is the capitalist class that demands that their dirty economic diapers be changed by the constant sacrifices of the working class! It is the capitalist class that tells the working class to change their own diapers!

Yearly statistics released by national governments have shown that in most countries only about 10% of the gross national product is in the control of about 90% of its poorer population while the wealthier 10% have accumulated ownership and control of 90%. What distinguishes the working class 90% of the population from the capitalist class 10%? Simply this: members of the working class must throughout their employable lifetime strive to sell their mental and physical abilities for a wage or salary while the capitalist class must try to continue to exist effortlessly on incomes derived from profit, interest and/or rent. Most workers dream of being wealthy like a capitalist. Most capitalists do not dream of being poor like a worker unless it is a nightmare!

Karl Marx in his three-volume work CAPITAL proved and showed how capital is accumulated by the capitalist class through the exploitation of the labour of the working class. Capitalism is a buy-and-sell system of society. Commodities are made primarily with a view to be sold to make a profit. A secondary reason for commodities may be that they are useful! Raw materials and labour are utilised to make all commodities. Generally the capitalists own

the means of production and distribution while the workers own their ability to work. >

The capitalist class calls this democracy. They spend untold millions to propagate the myth to their workers that their own existence is fair, and supremely necessary to ensure the economic viability of the nation they and their workers abide in, and the myth that private property and the accumulation of wealth in the buy-and-sell market system is "*the best of all possible worlds*".

Socialists give political directions for the working class that enable them to change the soiled diaper system of capitalism by offering a clean diaper in the form of a new social system called Socialism. Socialism is defined by these parameters established by The SPGB in 1904 and established as our Object:

... a system of society based upon the common ownership and democratic control of the means of producing and distributing wealth by and in the interest of the whole community.

Like capitalism, Socialism can only exist on a worldwide scale. Unlike capitalism, Socialism will be a class-free system of society where the mode of production will be based on use, not profit. Socialism will enable the free access of wealth to be produced and distributed according to people's needs. Socialism presumes that humans are intelligent social animals and will accordingly volunteer their labour to produce wealth to be utilised by all of humanity.

Socialists disdain the propaganda which claims that humans are inherently evil and lazy. Maybe the capitalist class are but the working class are not!

In point of fact humans are so sociable that throughout history they have put up with exploitation and the rule of a master class for far too long.

The technology and logistics that have matured in capitalism make it entirely possible to replace capitalism with Socialism.

It is time for the working class to rid of their inferiority complex, and join with The SPGB so as, politically and democratically (through the ballot box), to initiate a real worthwhile system of society that will eradicate the production for profit perils of our present society.

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The British Empire: From Sunrise To Sunset

Niall Ferguson, Herzog Professor of Financial History at the Stern School of Business, New York University, and Fellow of Jesus College, Oxford, is an apologist for the British Empire. His recent book, EMPIRE: HOW BRITAIN MADE THE MODERN WORLD (Penguin 2003), tries to portray the British Empire as a force for good, one whose torch of "*liberal capitalism*" has now been handed on to the United States.

Ferguson spends a few moments in his Introduction to take a side-swipe at the "*leftists*", and "*Marxists*", as though to name someone is to refute their argument. So much for Tory intellectual rigour.

His opening and closing remarks are simply empty rhetorical gestures which need not bother the reader. Ferguson is in a long line of Tory historians whose political posturing sits uncomfortably with the reality of the subject matter of which they write about. In the case of Ferguson the British Empire's imperial smugness was largely destroyed by the First World War, was rendered dead in the water by the end of the Second World War, and was decomposing by the time of Suez.

Niall Ferguson asks whether the British Empire contributed to a world capitalist system whose positive characteristics outweighed the negative. Page after page of his book answers his question in the negative by highlighting, time and time again, the principal beneficiary of capitalism as it came into existence and developed

through the 19th century into the 20th: the capitalist class. But the only beneficiary of the British Empire was the British capitalist class who extracted "*surplus value*" (yes, Ferguson does use this term although it is doubtful if he understands its meaning) from the working class, both at home and abroad. The capitalist class became very rich throughout the 19th century at the expense of everyone else.

The author, like his fellow Tory historian, Andrew Roberts, strives to construct a conservative conception of history to rival and to supplant Marx's own theory of history. The conservative project - and here the word '*conservative*' is used as a term of reaction applicable to most academic historical writing - is to reinvent the British Empire as a force for good which gave the world political democracy, free trade, capitalism and liberal markets. The negative reality of the British Empire - piracy, war, conquest, slavery, racism, genocide, land expropriation, the imposition of cultural beliefs like Christianity, class exploitation, brutal suppression and so on are treated as accidental and regretted with crocodile tears.

During the narrative which forms the body of the book, the political childishness associated with Tory history occasionally comes to the surface. For instance, Ferguson writes off the Labour politician Sir Stafford Cripps as being: "*as dogmatic a Marxist as only a millionaire can be*" for declaring "*you have only got to look at the pages of British history to hide your head in shame that you're British*" (p347). Cripps might have been the son of Lord Parmoor and the husband of the heiress to the Eno's Fruit Salts fortune, but he was no Marxist and, as a member of the Labour Party, no Socialist either.

Another piece of historical nonsense found in the book is Ferguson's claim that the Pilgrims on the Mayflower "*were also in a literal sense communists, who intended to own their property and distribute their products equally*" (p63). The pilgrims did not constitute a revolutionary class engaged in a class struggle to abolish the wages system, and transfer commodity production for profit to socialist production for social use. And when has equal distribution been the hall mark of Socialism/communism? In Socialism, production and distribution will be organised on the principle: "*from each according to their ability, to each according to their needs*". That Socialist revolutionary dictum was not carved onto the cabin rooms of the rich and the galley walls of the poor who sailed in the Mayflower.

Ferguson is a Jekyll and Hyde figure. As Dr Jekyll, he gives a damning account of the British Empire and provides useful material to support the Socialist case against all forms of empire, including the present one emanating from the United States. His account of Morgan's piracy as the foundation stone of Empire in the 17th century undercuts his own Tory interpretation of history, and, in this respect, is similar to Marx's own account of the genesis of capitalism in the first volume of CAPITAL where he showed that capital came into existence "*dripping from every pore with blood and dirt*".

But as Mr Hyde, Ferguson departs from historical reality to embrace historical fiction. For there was no handing of an Olympian baton from Britain to the United States. The US saw its chance in 1945, and grabbed global power from Britain when it was weak. Britain was forced to cede financial power and territories for war aid. This, not the fictions spun in the heads of dreaming dons, is the reality of international politics - a war of each against all, a dog eat dog world of power, power hunger and power envy.

To distinguish historical fact from historical fiction it is illustrative to pull together a few themes from Ferguson's book to remind us of the reality of capitalism, its origins and anarchic movement from one crisis to the next - a history which has left the world blighted with famine, unemployment, poverty and war.

Piracy

Henry Morgan, the pirate, is the starting point of Ferguson's account of empire. Morgan's raids - on Spanish-controlled Gran Grenada, El Puerto del Principe in Cuba, Portabello in present-day Panama, the islands of Curacao and Maracaibo in what is now Venezuela, and the capture in 1670 of Panama itself - gave him plundered riches which he re-invested in property in Jamaica, acquiring 836 acres of land in the Rio Minho valley (today known as Morgan's Valley). Later he added 4,000 acres in the parish of St Elizabeth.

The land was ideal for one special crop: sugar cane. Which is how gold plundered from the Spanish was reinvested

into producing a saleable commodity and largely kickstarted the British Empire.

Slavery

Annual returns from the British slave-trade voyages during the last half-century of British slaving averaged between 8 and 10 per cent profit. In 1796, Liverpool returned a net profit of £298,462 sterling, and during an eleven year period 303,737 slaves brought the Liverpool slave-trade gains of £2,361,455 6s.1d (Chapman Cohen, CHRISTIANITY, SLAVERY AND LABOUR, London, 1931 p50).

Foremost amongst those who gained fame in Liverpool as a champion of slavery was the Rev. Raymond Harris, a clergyman of the Church of England. In 1788 he published a pamphlet with the title, "*Scriptural Researches of the Licitness of the Slave Trade, showing its conformity with the principles of Natural and Revealed Religion, delineated in the sacred writings of the Word of God*". He pointed out that slavery was sanctioned by God, and remains so unless explicitly cancelled. He drew a number of illustrations from the Bible, and concluded that those who do not believe the slave trade to be a "*licit*" occupation really do not believe in their Bibles.

There were other clerical champions of the trade, and it is worthwhile noting that the Rev. John Newton, friend of Cowper, author of the OLNEY HYMNS, actually commanded a slave ship during the time he was studying for his ministry (Chapman Cohen, pp 49-50).<

The numbers involved in the slaves trade were huge. Between 1662 and 1807, nearly three and half million African slaves arrived in the New World as slaves transported in British ships. The first slave vessel that left the Mersey in 1709 carried only 15 slaves from Africa by the West Indies. However, the profits were great, and by 1714, more than half the vessels engaged in the trade belonged to Liverpool.

By 1740 Liverpool was sending 33 ships a year on the triangular trip from England to Africa to the Caribbean. Ferguson reminds us (p76) that this was the year when:

James Thomson's song "Rule Britannia" was sung, with its stirring avowal: "*Britons never, never, never shall be slaves*" .

He forgot to add that Britain had been sending convicts as slaves to the plantations, from Britain to the American colonies including the West Indies, since 1718.

One form of slavery missing from Niall Ferguson's account is wage slavery. The Enclosure Acts from the 16th century onwards forced an agrarian peasantry and artisan class into the new cities and into the factories where the only commodity they could sell was their ability to work.

Wage labourers, like vagabonds, had no political rights. Sir Thomas Smith in 1565 declared that "*day labourers*" and others with no free land "*have no voice nor authority in our commonwealth, and no account is made of them but only to be ruled*". Those who are "hired for wages... be called servants" (C. Hill, Liberty Against the Law, p67). In 1624, an M.P. attributed to Magna Carta the statement that "*he that hath no property in his goods is not free*". As the historian, Christopher Hill, noted, "*wage labourers and paupers had lost their birthright by becoming economically dependent on others*" (p68).

The humiliation of workers in the factories under the discipline of masters and their managers reinforced for the first generation of the working class the experience of wage slavery. Some factory masters adopted a system of "shaming" their employees. Offenders were made to carry cards round their necks or in some cases a heavy stone had to be worn around the neck: both practices served to humiliate the offender and were intended to "shame" him enough as not to repeat the offence (David Taylor, MASTERING ECONOMIC AND SOCIAL HISTORY, p198).

Wage slavery was (and still is) as exploitative as the chattel slavery found in the tobacco, cotton, rubber and sugar plantations of the colonies. And religion justified slavery, the employers' interest in political economy, and the capitalist exploitation of wage labour.

Racism

In 1863 at a lecture in Newcastle, Dr James Hunt asserted that the '*Negro*' was a separate species of human being, half way between the ape and the '*European Man*'. In Hunt's view the '*Negro*' became "*more humanised when in his natural subordination to the European*". Francis Galton, Darwin's cousin and the founder of eugenics, tried to give this racism a scientific veneer in his 1869 book, HEREDITARY GENIUS. He believed that the Negro was, on a sixteen-point scale of racial intelligence, "*two grades below an Englishman*".

His student, Karl Pearson, went one stage further in this 'scientific' racism, arguing that the weak should go to the wall. He wrote that:

National progress depends on racial fitness and the supreme test of that fitness is war. When wars cease mankind will no longer progress for there will be nothing to check the fertility of inferior stock.

DARWINISM, MEDICAL PROGRESS AND PARENTAGE (1912)

The racist theories of the British Empire laid the foundations for the pseudo-scientific racism of the 20th century, culminating in the "*Final Programme*" of the Third Reich. We should add that eugenics was exported from Britain to the US and then passed to 1920s Germany where it was enthusiastically embraced by Nazi 'race scientists'. German race scientists were particularly interested in the sterilisation policies of several US States.

War

We shall look at one war, the Boer War, fought just before The SPGB was established in 1904. What Vietnam was to the United States, the Boer War was to the British Empire: 45,000 soldiers dead and a quarter of a million pounds spent.

In the summer of 1900, Lord Roberts, the commander of the British forces, rode in triumph through the streets of Bloemfontein, and installed himself in the residency. In the spacious ballroom on the ground floor, his officers and their ladies came to dance. It was supposed to be a victory dance.

However the Boers refused to surrender and switched to guerrilla tactics. British troops were authorized to burn down Boers' homes systematically. In all, around 30,000 farms were razed. The problem then faced by the British army was what to do with the homeless and starving women and children. The British generals came up with a novel idea: the concentration camp.

These were not the first concentration camps in history - Spanish troops had used similar tactics in Cuba in 1896 - but they were the first to earn infamy. In all, 27,927 Boers (the majority of them children) died in the British camps. That was 14.5 per cent of the Boer population, and they died mainly as a result of malnourishment, disease (especially TB), and poor sanitation. More adult Boers died this way than from direct military action.

A further 14,000 of 115,700 black internees - 81 per cent of them children - died in separate camps: a figure that would have pleased some of the eugenicists back home in Britain.

At the Bloemfontein Residency, the band played on - the port was passed from right to left, polite conversation filled the air amid smart cuisine and good wine. After several months of the Gay Gordons and Strip the Willow (favourite dances of the 19th century bourgeoisie), the ballroom floor began to wear thin. To avoid any mishaps to the officers' ladies, the old floorboards had to be replaced, and so they were. Happily for the officers' mess accounts, a use was found for the old ones. The Empire-loving Ferguson tells us what the British officers did with the worn floorboards of their ballroom: "*They were sold to Boer women to make coffins for their children, at the price of 1s 6d [7.5p in new money] a plank*" (p280).

Plunder

Within just twenty years from 1880, ten thousand African tribal kingdoms had been transformed into just forty states, of which thirty-six were under direct European control. After 1914 a third of the African continent was British. /p>

The period of seizing territory in Africa in the last quarter of the 19th century was known as "*the scramble for Africa*". As another historian noted, "*By 1900, and mainly since 1870, the great powers of Europe had divided up most of the African continent*". This was formally legitimated with the 1885 Treaty of Berlin, which "*gave the signal for the rapid partition of Africa among all the colonial powers, and inaugurated the new era of colonialism*" (David Thomson, *EUROPE SINCE NAPOLEON*, Penguin pp498, 501).

The key to the British Empire's phenomenal expansion in the late 19th century was "*the combination of financial power and firepower*" (Ferguson, p222). And this dualism was personified in the form of Cecil Rhodes. Rhodes made his wealth in South Africa with diamond mining but he could not have won his near-monopoly over South African diamond production without the help of his friends in the City of London, particularly the Rothschild bank.

In 1883 the Bank financed the merger of Rhodes's De Beers Company with the *Compagnie Francaise*, followed by the final fusion with the bigger Kimberley Central Company. Nathaniel de Rothschild was the biggest shareholder and by 1899 the Rothschilds' stake was twice that of Rhodes.

Rhodes though was not satisfied with diamonds. He wanted gold. He believed that there were gold fields beyond the Limpopo River in lands controlled by the

Matabele chief, Lobengula. The companies formed with the Rothschilds were the Central Search association for Matabeleland (1890) and the British South Africa Company (1899).

When Lobengula realised that he had been conned by Rhodes into signing away much more than mere mineral rights, he resolved to take Rhodes on. Rhodes sent in his own army of 700 men against 3,000 Impis. However, Rhodes' army had the Maxim gun which was too much of a match against spears. The battle of Shangani River in 1893 was one of the earliest uses of the Maxim gun. Around 1500 Matabele warriors were wiped out, and the conquered territory was renamed Rhodesia.

Exploitation

According to Ferguson, by 1914 the gross nominal value of Britain's stock of capital invested abroad was £3.8 billion, "*between two-fifths and a half of all foreign-owned assets*"(p244). This was more than double French capitalism's overseas investments, and more than three times the German figure.

Between 1870 and 1913 British capital flows averaged around 4.5% of gross domestic product, rising above 7% at their cyclical peaks in 1872, 1890 and 1913. More British capital raised on the stock market was invested in the Americas than in Britain itself. The Empire's share of total British exports was also on the increase, rising from between a quarter and a third to almost two-fifths in 1902.

Here we should reflect on Ferguson's use of the expression '*surplus value*'. Social wealth is created by wage labour.

One of Karl Marx's great discoveries was his explanation of where profits come from. The amount of wealth needed to keep workers fit for work is considerably less than the amount of wealth they produce - the value of their labour power or ability to work is considerably less than the value created by their labour. The difference goes into the bank accounts of the capitalist class as unearned income in the form of rent, interest and profit. Marx referred to the additional value created by workers as '*surplus value*'.

Whereas African states and blacks in the US accuse the British Empire of contributing to the misery of slavery, and India censures Britain for three centuries of plunder, little or nothing is said of the vast pool of men, women and children who were ruthlessly exploited in the factories, mills, mines and other British enterprises throughout the Empire from which vast fortunes were made.

Minority Wealth Ownership

Most of the huge flows of money from Britain's vast stock of overseas investments flowed to a tiny elite of, at most, a few hundred thousand people. The capitalist class then, as now, owned the means of production to the exclusion of the rest of society. At the apex of this capitalist class were the Rothschild banks, whose combined capital in London, Paris and Vienna amounted to a staggering £41 million, making this by far the biggest financial institution in the world. The greater part of the firm's assets was invested in government bonds, a high proportion of which were invested in colonial economies like Egypt and South Africa.

The Rothschilds were intimately acquainted with Disraeli, Randolph Churchill and the Earl of Rosebury. Gladstone too did very well. He invested £45,000 in the Ottoman Egyptian Tribute loan of 1871 at a price of just £38. Nineteenth-century bond prices were quoted in percentages of their nominal value. These loans were Turkish bonds secured on the 'tribute' paid annually by Egypt and Turkey. He had invested a further £5000 by 1878, and a year later added a further £15,000. By 1882 these bonds accounted for more than a third of his portfolio. Ferguson remarks that in 1882 the bonds rose from 38 to 57 per cent. The British takeover of Egypt brought the Prime Minister still more profits. By December 1882, the price of Gladstone's 1871 bonds had risen to 82 per cent. By 1891, they touched 97 percent - a capital gain of more than 130 per cent on his initial investment (p286-7).

Conclusion

The British Empire did not benefit anyone but the British capitalist class. That the British Empire declined should be regretted by no one. Its defining characteristics were piracy, plunder, slavery, racism, war, class exploitation and minority wealth ownership.

Empires come and go. The working class has its own history and development to consider. As for the imperialist dreams of the United States as an "eternal present", remember Shelley's poem, OZYMANDIAS, recalled in the science-fiction film, PLANET OF THE APES, when Charlton Heston, in an unknown planet in the future, comes across the tilted head of the Statue of Liberty, sunk in the sands:

*And on the pedestal these words appear:
"My name is Ozymandias, king of kings:
Look on my works, ye Mighty and Despair!
Nothing besides remains. Round the decay
Of that colossal wreck, boundless and bare
The lone and level sands stretch far away."*

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Bhopal

Back in 1984, only 20 years ago, the disaster at Bhopal made headline news. Now, two decades later, after legal wrangles galore, with the American chemical conglomerate, Union Carbide, digging in its heels and hiring the best legal talent available, the victims of that disaster are still left to plead pathetically with their own government in Delhi for some form of assistance, basic health care for a start. In a full page advertisement paid for by a charity, we read this appeal:

We are women of Bhopal. When Union Carbide's factory blew up in 1984 we all breathed the poison gases. Most of us lost loved ones and watched them die horribly. Woh raat, that night, is a terror no one wants to remember. The angel of death passed over the city. Bodies lay in heaps in the streets.

Since then, things have been evil. There were horrific births, women were terrified to go into labour. The company refused to give information about the gases that leaked. They said it was a trade secret, even though it would have saved lives. They left Bhopal without cleaning their factory. Even now, it remains derelict and poisonous chemicals

lie in heaps in the open. They are getting into our drinking water and making more people sick.
THE INDEPENDENT, 15 May 2004

This remains a sickening, stomach-churning example of how capitalism's priority is always profits first, people last.

Water Poverty

Strange that it is possible to send satellites into space, yet it seems impossible to ensure that everyone should have access to H₂O, since water is traded as a commodity which has to be paid for.

It is estimated that 1.1 billion people do not have safe water, and 2.6 billion lack sanitation. In many cities, over-priced water of dubious quality is sold - WATER AID.

Where the private sector has been involved, price hikes have often led to disconnections for the poorest of the poor... public systems, which make up the bulk of water provision, still suffer from inadequate financing and poor maintenance, and unregulated vendors continue to charge exorbitant rates in poor areas - INSTITUTE OF DEVELOPMENT STUDIES, University of Sussex.

Source:BBC News: THE WATER DEBATE, 26 October 2004

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Just A Minute

Why should you become a Socialist and join The SPGB?

If you live off a wage or a salary you have a very real interest in becoming a socialist. Earning a wage or a salary places you in a class, the working class. You are imprisoned within the wages system.

This is not the same for the class who buy your ability to work. They are in the driving seat. They may not work but they own the raw resources, transport, communication, production and distribution systems. This capitalist class lives off your work. They exploit you by paying you less than you actually produce. This is exploitation. The interest of the employer is to increase the intensity and extent of exploitation. Profit is the capitalist's only interest.

You and your class resist this exploitation. The class struggle takes place every working day. A struggle takes place between those who produce but are exploited, and those who own but live off the proceeds of exploitation. The class struggle has gone on for centuries and only ends with the abolition of capitalism.

The property owned and controlled by the employers is protected by the State. Any attempt by the working class to abolish class privilege and power requires the class struggle to be a conscious political struggle through a principled Socialist Party.

The only class which has an interest in abolishing capitalism and establishing Socialism is the working class. The workers' class interest is in the replacement of commodity production and exchange for profit with production solely for social use. And this is why you should become a Socialist.

A Clerk's Job? Futile Drudgery!

"... one occupational hazard facing a clerk is always the sense of futility he struggles against, or is more often just overwhelmed by. Unlike even the humblest worker on a production line, he doesn't produce *anything*....

I'm not ungrateful. The basic fact remains that, in common with the other jobs I've had, it has no value as work. It is drudgery done in congenial surroundings. You feel dispensable, interim: automation will take it over one day, the sooner the better. You are there for the money, no other reason. You begrudge the time."

Q & A - Leaders and the Working Class

Reply to W K

Thank you for contacting us, and our apologies for being so slow getting back to you. You have several questions for us, some easy enough to answer.

The SPGB was founded in 1904, which means that this year the Party has been celebrating its centenary. We expect you have contacted us after reading some of the material posted on our website so you will have been able to read recent issues of our journal, The SPGB, which have carried some articles on the history of the Party. From our website too you will have been able to discover that we have a good range of pamphlets available.

Q: Why do we have no leaders and why are our ideas addressed to the working class?

First, our argument for Socialism is rooted in our understanding of the class struggle - the conflict of interests between the employers and the working class - i.e. all who must sell their labour power in order to live. This means not only manual workers on the shop floor but also professional and clerical workers, including most of those who are regarded as 'management' - all such people, whether high-paid or low-paid, and their dependants, are subject to the same insecurity: the knowledge that if the employers so choose, a business may well be closed down and, with it, their jobs.

The wages system is the result of the capitalist system, a system of production for profit: in capitalism our ability to work, our labour power - our mental and physical abilities - are simply a commodity, something workers like us must sell in order to live. Our wages are the price of this commodity, labour power. Wages are calculated on the basis of the cost of production and reproduction of labour power - and closely related to the 'cost of living'.

But what the working class produce collectively is worth a lot more than what we receive by way of wages and salaries - and the difference is pocketed by the capitalist class in the form of profits and rents, which all come out of our unpaid labour, what Marx called 'surplus value'. This situation is one of exploitation and is obviously not in the interest of the working class, which explains why our arguments are addressed to the working class.

In addition, there is this point to consider: Socialism can only be achieved when a sufficient majority of people understand the case for Socialism, and organise to end capitalism and establish a society of common ownership. Since the working class - including the clerical and professional strata - makes up something like 95% of the population, it makes sense for us to put our arguments to those who have most to gain by ending capitalism and who are actually the majority of the population.

Moreover, our argument is that it is only by the act of a revolutionary and class-conscious working class, organised politically and democratically, that Socialism can be achieved. It cannot be imposed on people by some great leader or a vanguard party, a self-appointed elite, as Lenin argued and as most leftwing parties still do. Class-conscious workers would not need leaders - it is only sheep who need leaders.

Finally, while The SPGB is still small in numbers, we know that to have maintained the essential principles of the Socialist class struggle without concessions or compromise is no small achievement. We are proud of the history of The SPGB, which has held to the principles of class internationalism even in the two world wars, and which has never joined forces with those who would be satisfied with a reformed version of capitalism. "*Socialism and nothing but Socialism*" is what The SPGB argues for, now as in 1904. One hundred years on, and capitalism's problems are as bad as ever, especially for the working class.

Reforms of all sorts have been tried but they all fail to solve the cause of these problems: the capitalist system. We still have unemployment, poverty, poor housing, wars, pollution of the environment, and inequality - especially regarding health. All these could be ended if we could end this system of production for profit, which puts a price on every loaf of bread, and denies clean water to so many humans.

The SPGB argues that the poverty of the many is the inevitable result of a system where a small minority own and control the means of production. This is a world of huge wealth and riches on the one hand for a few, whilst the rest of humanity must toil and moil to make them even richer, generation after generation.

We hope this reply helps you understand the urgent need for Socialism, and the reasons why Socialists argue that leaders are unnecessary and harmful in a democratic, class-conscious, Socialist political organisation. Common ownership cannot be imposed on people, top-down - that would never work. It is for the working class to organise themselves, consciously and democratically, to establish Socialism, in their own interests.

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The Benefits of Socialism to the Capitalist Class

The number of insolvencies in England and Wales jumped last year to its highest level since 1994. In 2003 the number of company failures rose by 7.7 per cent from the previous year to 50,500, according to the credit insurance group Euler Hermes (INDEPENDENT, 18 July 2004). The main contributors to this rise were the 'sole traders' category, which saw insolvencies rise by 19 per cent last year - accounting for almost two-thirds of the annual total.

Small-scale capitalists have fared far worse than the larger capitalist companies. By contrast, the number of major corporate bankruptcies declined, finishing the year 13 per cent below 2002 levels. The largest business failure in the UK last year was TXU Finance, in the electricity production and distribution sector, which turned over £3.3bn and employed more than 3,000 staff.

Thousands of small businesses start up in Britain each year: in 2002-3 an increase of 34.5 per cent to 392,189. A significant proportion of them fail by the end of their first year of operation, and the majority of such businesses close before their third birthday. In 2002, according to Dun and Bradstreet, the business information service, 40,847 businesses ceased trading in what was a boom period for capitalism. Many of these businesses were in the manufacturing sector and often took other businesses with them. Family businesses also have a high fatality rate: from clogs to clogs in three generations, as the North of England saying goes./p>

Although the Socialist case is argued in the interest of the working class, Socialism should not be looked on unfavourably by the average capitalist. Engels certainly did not think it was a problem. Although as a class the capitalists exploit labour of the wealth it creates, still the competitive scramble of the capitalists for the spoil necessarily results in the elimination of the less successful capitalists.

Marx showed that the competition between the capitalist class in the various spheres of production was a "*capitalist communism*" where "*the mass of capital belonging to each sphere of production seizes a certain part of the total surplus value, in that proportion in which it forms a part of the total social capital*" (letter to Engels, 30 April 1868, p134-138, in LETTERS ON "CAPITAL" by Karl Marx and Frederick Engels, New Park Publications). In the scramble to suck up surplus value, like so many vampires, some capitalists find there is no profit. And like a vampire who cannot find any victim's blood, a capitalist firm that cannot make a profit dies

The perpetual economic warfare among capitalists to struggle for the largest share of the wealth created by the working class means bankruptcy for many of them. Only a few are able to retain the surplus creamed off the working class. That is why the capitalist class always remains a tiny minority within society.

As likely failure, intense competition, the desperate drive to wring profit out of the working class, and the increasing burden of keeping the capitalist State going through taxation are among the inevitable consequences of capitalism, surely the average capitalist ought to welcome Socialism. It would bring to thousands of them a much-needed relief.

The mental and physical suffering of the capitalist class and their families is often reported: drug abuse, suicide, debauchery and sexual licentiousness, marriage break-ups, grasping children, and clinical depression, for instance. Socialism would guarantee, to all, abundance without the waste of capitalism. Each person would have sufficient to meet their needs - what more could they ask?

There would be no billionaires under Socialism. There would be no commodity production for exchange. There would be no capital, no money, and no wages or salaries. No one would be able to capitalise their wealth and make it the source of unearned income. Each person will have enough for the fullest satisfaction of their needs and development as active participants in socialist society, and, after all, is not this the rational end of wealth production?

Engels - The State and Socialism

It is simply a partisan falsification by the Manchester bourgeoisie to call every interference of the State in free competition 'Socialism': protective tariffs, guilds, tobacco monopolies, nationalisation of certain branches of industry, the merchant navy, the royal porcelain factory. We should criticise this, but not believe it. If we do the latter and develop a theory on that basis, then the theory will collapse along with its premises, i.e. with the simple proof that this supposed socialism is nothing but feudal reaction on the one side and, on the other, an excuse to print money with the side effect of transforming as many proletarians as possible into employees and pensioners of the State, and of organising an army of workers alongside the disciplined army of war and of civil servants. Compulsory voting brought about by superiors of the state instead of factory foremen - that's a fine kind of Socialism! But that is where we end up if we believe the bourgeoisie - and they do not believe it themselves, but only claim to: that the State = Socialism.

Letter to Bernstein, 12 March 1881, from LETTERS ON CAPITAL, p206

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New Economics

In the late 1990s when glancing through the media, particularly those newspapers and journalists predisposed towards the Labour Party, the reader would meet, with repetitive monotony, the chic phrases "*new economics*" and "*the new economy*".

In an article "*how to make technology a catalyst for greater growth*" (INDEPENDENT, 15 February 1999), Diana Coyle wrote of "*the clash between New Economy enthusiasts and Old Economy sceptics*", and about the way the Internet and information technology would transform capitalism for the good of everyone. Professor Coyle is a fervent believer in the New Economy of Information Technology, coupled with globalisation and free trade. She calls it the "*weightless economy*". From her chair in Economics at Manchester University, she tells us that we must all embrace the liberation of buying and selling in cyberspace. Her utopia is e-bay and shopping by Internet.

The origin for these fashionable phrases is the think-tank pompously calling itself the Institute for Public Policy Research, bankrolled by Lord Hollick, the multi-millionaire media tycoon and friend of Tony. The IPPR publishes a magazine called NEW ECONOMY, which has on its editorial board, the Lords Eatwell, Hollick and Desai, and that overworked man who holds down no fewer than six jobs, Will Hutton. There are a sprinkling of businessmen and a few tame academics to give the magazine the air of detached respectability. And unfortunately it also has some representatives from the trade unions, people who should know better than to involve themselves in an '*institute*' which exists to pump out policy documents for the New Labour Government in its vain attempt to administer the anarchy that is British capitalism.

According to the "*Aims and Scope*" of NEW ECONOMY, that magazine exists to:

Encourage innovative policy thinking and to illustrate the alternative to pure free market economics. Articles apply the latest economic theories and research to the policy issues of the day...

And of course the '*new economics*' means the policies pursued by the Labour Government in its doomed attempt to create conditions of sustained growth. Labour chides the Tories for the '*boom and bust*' years of the 1980s and 1990s, over which the government had no control, while forgetting the boom-and-bust years of previous Labour governments, dating right back to Ramsay MacDonald. From the perspective of the working class, the economics of NEW ECONOMY is no different to the economics pursued by the misnamed Adam Smith Institute.

The Adam Smith Institute is a '*free market*' economics think tank to whom the Labour Government currently pays millions of pounds in fees for its evangelical, free market, missionary work in Eastern Europe, Africa and Iraq. The ASI was one of the think tanks who informed much Tory economic thinking during the 1970s and 1980s.

A study of NEW ECONOMY reveals articles with little or no understanding of capitalism. The market, buying and selling, and the enforced selling of workers' labour power to the capitalist class - all this goes unchallenged. Whether it is NEW ECONOMY, the Adam Smith Institute or the Social Market Foundation, their economics is the economics of the past, the economics of reaction, the economics of the dead. NEW ECONOMY (issue 2 volume 4, summer 1997) had an article by Andrew Glyn: "*No Escape from Tax*" - a far cry from his heady student days as a trendy lefty at Oxbridge when he was writing books such as BRITISH CAPITALISM, WORKERS AND THE PROFIT SQUEEZE (1972). Why are so many ex-Communists and Trotskyists now to be found in the Labour Party, extolling the supposed virtues of a '*free-market economy*' when twenty years ago they were ardent supporters of state capitalism and the policies of nationalisation?

Glyn's article argued that taxation is somehow a concern of the working class. It isn't. Professor Glyn should read Adam Smith's THE WEALTH OF NATIONS. So should the misnamed Adam Smith Institute, a barmy crowd of market zealots whose Poll Tax policy led to riots, civil disobedience and contributed to the downfall of Thatcher. All these oh-so-clever economists would discover in Adam Smith's book (chap.5) his reasoned argument, demonstrating why taxation falls squarely on the shoulders of the capitalist class. If Glyn had a curious mind and actually wanted to learn about capitalism, he would read a similar argument put forward in Ricardo's PRINCIPLES OF POLITICAL ECONOMY. Compared to these classical economists, the economics found in NEW ECONOMY is shallow and intellectually illiterate. As Marx showed, taxation comes from surplus value which has been taken from the working class at the point of production.

Another article in the same edition of the magazine was written by Paul Ormerod. Professor Ormerod is the author of a book, THE DEATH OF ECONOMICS, which he neither applied to his own writing nor to the economic policies of the present Labour administration which he supports. According to Professor Ormerod, economics "*died*" under the Conservative Government but somehow was reborn under Blair's administration. How convenient - Blair may be many things to his supporters but he has yet to reach divine omnipotence with the power of resurrection.

In the philosophy underpinning the writing found in New Economy, there is also an idealist conception of society. Economic ideas are seen as existing in isolation from the social conditions and relationships in which people live.

Academic economists abstract from capitalism's economic categories such as prices and markets, and place these into static mathematical models. These models constitute the research and theory which inform government policy documents which are then imposed on capitalism, to rectify this or that social problem. The results of academic economics when applied to the real world are either utterly wrong, being undermined by flawed assumptions, or almost useless to politicians trying to deal with the day to day problems of capitalism.

Increasingly economic theory is being left to merchant bankers and "*scribblers in the City*", whose perceptions are severely limited by the fluctuating ups and downs of market prices, interest rates, exchange rates and inflation displayed on their computer screens, telling them the price of everything and the value of nothing. No economic model - not the Bank's, the Treasury's or those of the slick City firms - predicted the collapse of the dot.com bubble because the assumption was that the market was harmonious and contained perfect information.

The policies predictably fail. Corporate capitalism was the model for all social life to follow. Enron was still being courted - by economists, accountants, management gurus, financial journalists and commentators, and politicians - as a '*beacon corporation*' right up to its bankruptcy. The most notable advocates of the Free Market like Rupert

Murdoch pursue aggressive business techniques to acquire monopoly in their area of business or, in the case of Lord Black and his chums, bleed the company dry in an orgy of personal greed, self-indulgence and excess.

Compare this shallow and trite analysis of the profit system with Marx's own critique of capitalism. Marx begins with the real world, the world as it appears to people, a world of commodities. He did not create a static model, with all the attributes of a primitive fetish, but began by studying the commodity and noting it had both an exchange and a use value. It was by framing his critique of political economy within the real historical world that Marx discovered capitalism's anarchic law of motion with a beginning and an end in the class struggle

To understand capitalism, you have to understand the whole system, then examine interrelated parts of the system as historical categories, processes and relations. The tool for understanding how capitalism works is the Labour Theory of Value. Without such a theory the workings of capitalism is a closed book.

Marx employed the Labour Theory of Value to analyse economic relations. Value is determined by the amount of socially necessary labour in the production of a commodity, under normal conditions of work. Marx's genius was to apply the labour theory of value to labour itself; that is to the value of labour power.

Marx showed that exploitation and the class struggle were a necessary consequence of capitalism. The workers are exploited not because of bullying managers, Dickensian employers, low pay or poor working conditions. They are exploited because they are paid less in wages and salaries than they actually produce. Marx showed that profits were derived from production, through the creation of '*surplus value*', but were realised only in circulation. Marx's science of understanding capitalism is set out in his three-volume work, CAPITAL. Not the type of book to take on summer holiday but it deserves reading. It is still an accurate analysis of the world in which we live.

The conclusions are not those which the capitalist class and its agents want to hear. Capitalism cannot be run in the interests of all society. Capitalists are not wealth creators but are instead social parasites. Workers could run society in their own interests without the capitalist class. Workers are exploited just as serfs and chattel slaves were exploited. Crises are built into the logic of the capitalist system. Worldwide unemployment of almost 1 billion people demonstrates that the forces of production are in collision with the social relations of production.

In the first volume of CAPITAL the analysis took place within production, in the second volume within the circulation of capital and finally, in the third, within the process of capitalist production as a whole. Assumptions were made and withdrawn as provisional points were reached and as the analysis approached the way in which the capitalist class and their economists see the world. And for Marx that is an illusory perception of the world created by competition and an eternal belief in and justification of unearned income in the form of rent, interest and profit. He wrote of this that::

It is an enchanted, perverted, topsy-turvy world in which Monsieur le Capital and Madame la Terre do their ghost walking as social characters and at the same time as mere things.

CAPITAL III The Trinity Formula ch. XLVIII p 830

It is an enchanted and perverted world shared by the academics who publish their shallow and inconsequential papers in NEW ECONOMY. Employers are seen as wealth creators, providers of jobs rather than historically useless wastrels. Capital is taken as a "*thing*" rather than a historically limited social relationship. Private property ownership and control, and class relations are taken for granted with capitalists, rentiers and bankers being "*rewarded*". There is no attempt to understand the contradictions, which act on commodity production and exchange for profit, creating anarchic chaos and periodic crises. The exploitation of wage and salary labour in the process of wealth creation is passed over in silence.

In fact, if you compare the assumptions that governed the laissez-faire economics of Thatcher and Major with those used by Blair's Labour Party, there is little to distinguish them. Blair boasts that he is for "*Free Trade*" and everywhere his government is in thrall to the current vogue of "*economic liberalism*", forgetting that these creeds were doing the rounds a century ago. For example, there is a seamless continuity from one government to the next in the mystical monetarist rubbish advocated by both the Treasury and the Bank of England whereby lending banks are given the ability to create credit at will and determine the rate of interest.

So in conclusion, there is nothing new in NEW ECONOMY or in the '*New Economics*'. Since the 1990s, fawning journalists and the newspapers that pay their salaries have quietly dropped both vacuous phrases from their business pages. The collapse of the 'dot com' bubble and the corporate bankruptcies that followed meant that the weightless economy came crashing back down to earth with a bang.

North Korea - Oil and Capitalism

North Korea is not a Communist country. It is not Marxist. Its ruling Government and Dictator, Kim Jong II, is not a Socialist. The working class who live there are exploited at the point of production. The Labour Theory of Value holds. There is no socialist party standing for the abolition of the wages system. In fact, any Socialist Party in North Korea which advocated Socialism would be repressed and its members arrested.

North Korea might be isolated but it is a capitalist country like any other. It has to survive on the world market and is forced to trade. So it comes as no surprise that Aminex, a British oil company, has clinched a deal with the government of North Korea to explore and develop all the country's potentially oil-bearing territory, with a decisive say in production.

THE OBSERVER (19 October 2004) referred to North Korea as an "*anti-capitalist*" country. But from the interests of the working class there is no difference between the state and a private corporation controlling production. Socialism does not equal the State, a point Engels made. You can have capitalism without stock exchanges and shares. That is because surplus value is derived from the exploitation of wage and salary workers at the point of production, through the wages system.

ERRATUM:

Please note that in issue no.53 (p38), we accidentally misstated the WHO's estimate of the number of children going blind annually for lack of Vitamin A: the correct figure is 500,000, not 500 million. Apologies to readers.

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Labour's Corporate Friends

The SPGB was at the Labour Party Conference this year. We were the only Socialists there. We were on the outside. Our members did their best to put the case for Socialism amid demonstrations and the black-suited delegates on the one hand, and the tight security arrangements on the other.

The corporate capitalists were on the inside, in the foyer, dining with ministers and politicians, and underwriting the Fringe Meetings. Their employees also manned the exhibitions in the foyer. Who were these corporate friends of Labour? These are a few of the unsavoury sponsors and exhibitionists.

BAE Systems who sold weapons of mass destruction to Robert Mugabe, who have equipped the House of Saud and the Indonesian government. So much for Labour's ethical foreign policy. [*Stop Press*: BAE is currently being investigated by the Serious Fraud Office for some fancy accounting and inflated 'expenses' - surprise, surprise.]

Unocal were at the Labour Party Conference. They collaborated with the Taliban in Afghanistan, and with the Junta in Burma. According to Johann Hari:

The [Unocal] Corporation is raking in cash from a pipeline built and maintained by Burmese slaves. The workers have no ability to leave and no rights whatever. The wages are 23 pence a day. If they protest about this they face rape, torture and death (THE INDEPENDENT, 1 October 2004).

BP were also there. They have signed up to "*Corporate Responsibility*". They tell the world through their PR consultants that they are "*good corporate citizens*". It looks good on their "*mission statement*". However, they are currently building a massive pipeline through the Caucasus. In the event of oil spills and deaths caused by their project, they have ensured they will not have to pay compensation by gaining exemption from Turkey's

environmental and human rights protection laws - these were forced on the country in order to join the EC.

That Turkey still tortures its prisoners, political or otherwise, is not the point in all this hypocrisy. The real hypocrisy is that the Labour Government of Saint Blair the moralist is contributing £85m towards the project.

Foreign Policy Choices - Oil or Ethics?

Since 1945, US and British policy in the Middle East has been largely about securing control over Saudi oil i.e. keeping the Saud family in power... British support for Saudi repression involves almost complete silence on the country's horrific human rights record. Mark Curtis, WEB OF DECEIT, 2003, p69

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The Blair Regime

At home and abroad, Blair and his collaborators preach to us incessantly about their "ethical" values, and the need for morality in public life. Yet it hardly takes a moment to show that these fine words are just that - mere rhetoric.

One can find plenty in Labour's foreign policy to expose their hypocrisy. Take, for instance, the little matter of Turkey's treatment of the Kurds, Turkey's widespread use of torture, and the increased sale of arms to Turkey from Britain. As noted by Mark Curtis (WEB OF DECEIT - BRITAIN'S REAL ROLE IN THE WORLD, 2003, p41-4), Human Rights Watch reported in 2002 on the increasing use of torture, even of children, by the Turkish police:

How has New Labour reacted to this situation of horrific and ongoing human rights abuses... ? The government issued 101 export licenses for arms and military equipment to Turkey in its first half-year in office, rejecting just one application. Arms exports were worth £84 million in 1998, dropping to £9.5 million in 1999 before rising to £34 million in 2000 and £179 million in 2001.

While pursuing sanctions and bombing raids against Iraq, justified by condemnation of Saddam Hussein for his use of mass murder and other 'civil rights abuses', Blair's government has bent over backwards to befriend the equally nasty Turkey regime.

In 1998 Britain identified Turkey as 'a top emerging market' and initiated a campaign entitled 'Turkey - Positioned for Business', before tripling the number of trade missions in the country. Britain is the largest recipient of Turkish direct investment and its third largest export market.

Turkey's application to join the EU has been vigorously supported by Blair's government: "*Robin Cook told the Foreign Affairs Committee that 'the question of rejection does not arise' - being inconceivable that Britain would invoke mere human rights atrocities to block Turkish entry... Past atrocities will, it can safely be assumed, remain forgotten.*"

Yet such "*past atrocities*" will continue. In June 2004, at an Islamic Conference in Istanbul, the Turkish Government set out its views on the use of stoning very clearly:

[Turkey] appeals against any implementation of the universality of human rights principles... Moreover, it has condemned the decision of the European Union about the alleged inhumanity of stoning and other penalties, applied by certain member states in accordance with [Islamic] Sharia law.
[tr. from] LE CANARD ENCHAINE, 20 October 2004

Another blatant case of 'New' Labour overriding international and even British law, in a highly unethical way, is the scandal of Diego Garcia (Mark Curtis, op cit). This small and beautiful island in the Indian Ocean is now a vast US military and nuclear base, strategically convenient for action against Iraq and Afghanistan, or anywhere else in the Middle East that Uncle Sam thinks important. But in 1965 Wilson's Labour government had forcibly and illegally removed the inhabitants, in defiance of a UN General Assembly resolution.

Subsequent British governments, Labour and Tory alike, maintained the fiction that the islands had been uninhabited. The High Court however ruled, in November 2000, that the "*wholesale removal*" or deportation/transportation of the indigenous islanders was "*an abject legal failure*". Yet still the Blair Government dug its heels in.

In 2002, the Foreign Office found a new pretext for preventing resettlement by the islanders:

... the costs of maintaining long-term inhabitation are likely to be prohibitive. Even in the short-term, natural events such as periodic flooding from storms and seismic activity are likely to make life difficult for a resettled population.

Perhaps the Pentagon should be warned of the huge risk their expensive military base and personnel face in such a precarious place!

And this year, just to make quite sure the original islanders and their descendants could not return, New Labour actually overruled the High Court's ruling, announcing two 'orders in council', banning their return to any of the islands. Foreign Office Minister Bill Rammell stated:

These two orders restore the legal position to what it has been understood to be before the High Court decision of 3 November 2000.

John Pilger, STEALING A NATION, ITV, October 2004

Clearly, under this government, when you go to court to get redress against injustice, it is a case of "*heads they win and tails you lose*".

Take another issue: the question of arms exports to impoverished, indebted regions, as well as to oil-rich states. The report, SHATTERED LIVES (Amnesty International and Oxfam International, 2003), which pleads for "*tough international arms control*", points out that:

From 1998 to 2001, the USA, the UK, and France earned more income from arms sales to developing countries than they gave in aid... An average of US\$22bn a year is spent on arms by countries in Africa, Asia, the Middle East, and Latin America (pp. 54 and 34).

As that report points out, when governments spend a lot on importing arms, they cannot spend much on health, housing, education and other matters which might improve conditions for working people.

What's more, when you look at where the UK's arms exports are sent, more than 70% of the UK's arms export trade - worth \$4.6bn - was sent to North Africa and the Middle East. Under New Labour with their much vaunted "*foreign policy with an ethical dimension*", British companies' arms sales to corrupt and repressive regimes soared. So much for fine words!

Surely it is time for the party led by Blair and his collaborators to change its name. No way can it be said to work for the interests of the working class, for labour against capital. But then, the 'Labour' Party never did, not even in the days of Keir Hardie and Ramsay Macdonald, a century ago. Since then, like Oscar Wilde's story, THE PORTRAIT OF DORIAN GRAY, the picture of this party is one that has been repeatedly besmirched and disfigured by a whole series of betrayals, lies and disgraceful crimes against the working class.

Born out of the old Liberal Party and the concerns of trade union bosses, as an "*anything is better than the Tories*" party, the Labour Party has only ever won support as "*the lesser of two evils*". Now, more than ever, it is really impossible to distinguish between Tory and Labour policies.

Both parties are equally shameless in appealing to the lowest common denominator, in packaging their foreign policy as 'patriotism', and their domestic policy as repression in the name of democracy. To such practised politicians, there is no contradiction between their lofty claims to be defending liberty and freedom, on the one hand, and the repressive policies they adopt of defending the use of torture, and jailing suspects indefinitely.

Socialists do not support the left, the peace campaigners and civil liberties movements. These do not share our urgent

demand that capitalism be ended since it can never be made to work in the interests of the working class. We are not interested in mere reforms of the system: even though umpteen reforms have been enacted, the capitalist interest is still opposed to the interest of the working class. It follows that capitalist politicians can only be implacably opposed to the Socialist demand for an end to the global class system and production for profit, just as they almost invariably oppose attempts by workers who attempt to obtain better wages and working conditions.

This is the tragedy: a party that is supposed to stand for the interest of Labour against Capital and is voted into power by workers' votes but which acts the same as if it were the party of Capital - and yet still millions of workers support it! Truly, the politics of the madhouse.

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Spotlight on America

The world's dominant superpower, bestriding the world like a colossus, appears immensely rich. Corporate America is wealthy enough to buy up any business in the world, and dominates the international policy-making bodies that set the rules for international trade. Politically, the United States spends a fortune on its Presidential elections, and all the time its spending on armaments ('defense') is immense and growing. Currently the United States has military bases in 130 out of 191 countries, covering every region of the world.

But, like an ageing Hollywood star when her layers of make-up are removed, the reality of the United States is far from lovely. As with other capitalist states, worldwide, from Saskatchewan to Szechuan, there is a huge gap between rich and poor. In the US, some recent statistics have been brought together in a useful book, *A SHORT HISTORY OF AMERICAN CAPITALISM* by Meyer Weinberg (published 2002), particularly in his chapter on *HUMAN COSTS OF AMERICAN CAPITALISM 1945-2000*.

One aspect of American workers' poverty is their inability to get decent medical care: over 43 million Americans have no health insurance. In New York City, from 1970 to 1990, the number of overcrowded housing units in the city doubled, reaching crisis point in 1979 when a New York Department of Health report stated that the impact of the housing crisis was "*similar to famine and war*". In the middle of the 1990s 'dot com' boom, the Urban Institute reported that about 3.5 million Americans were homeless at least once a year, and almost every tenth child experienced homelessness at least once a year.

In the US, the annual mortality difference between rich and poor, calculated one research group, "*exceeds the combined loss of life from lung cancer, diabetes, motor vehicle crashes, HIV infection, suicide, and homicide in 1995*." The fact that the poor die earlier than the rich is characteristic of capitalism worldwide. Weinberg cited the World Health Organisation's report (2000) on global health conditions: "*The denial of access to basic health care is fundamentally linked to poverty-the greatest blight on humanity's landscape*".

Behind these problems is the cause: huge inequality in wealth ownership. But any US statistics on this are hard to come by and unreliable, as Weinberg noted:

A Treasury Department official testified [1966-1967]..."*all families with larger amounts of wealth evidently underreported their holdings. He mused aloud: "Sometimes we think that we should have prepared for our work by taking courses in creative writing rather than in statistics and economics.*"

Clearly if the bureaucrats cannot get reasonably reliable data about wealth ownership, any recent economics data on this subject have to be treated with wary suspicion.

What is clear comes from some earlier studies, cited by Weinberg, concerning the top one and a half per cent in the 1960s and early 1970s. The super-rich who in 1972 owned 66.7 percent of wealth potentially controlled all corporate assets. Trusts, the most concentrated of all forms of wealth, were 93% in the hands of the richest 1 percent (1965, Weinberg, pp116-7)) .

But what of those at the other end of the wealth scale? The bottom 40 percent of all households have only about 1 percent of wealth in the United States.

In "*the land of the brave and the home of the free*", major employers, from Walt Disney to Wal-Mart are implacably opposed to trade unions. Result: although between 1988 and the late 1990s, profits rose by nearly 50 per cent, at the end of 1994, real wages had sunk to the level of the late 1950s. Even with rising profits and the 1990s boom, average wages fell.

Average weekly earnings of American workers in the private sector fell (in 1982 dollars) from a level of \$260.86... to \$255.90 [from 1959 to 1995]... Average income of families in the bottom 60 percent of the income distribution was actually lower in 1996 than in 1979... Over the years 1973-1993, Lynn Karoly writes, "*the bottom four-tenths of the population is worse off in real terms than similarly situated persons 20 years earlier.*"

It is estimated now that the gap between America's rich and poor is wider than at any time since 1929, just before the Crash and the Great Depression. As in the 1920s, the wealthy flaunt their riches, showing off with the most vulgar and extravagant ostentation. Nowadays, it seems, there is something called 'luxury fever', with long waiting lists for \$50m yachts.

Weinberg commented that:

The American 'war' on poverty seems to be staffed by pacifists... The United States is the most favorable location in which to be rich but it is the least favorable rich place in which to be poor.

Yet, in "god's own country", the exploited wage-slaves, when given the chance to vote, regularly cast their precious votes for the candidates of King Capital, and in addition support the Pentagon's warmongering. Such is the power of the pulpit and the rhetoric of flag-waving nationalism that the issue of the class struggle, the war that never stops, is seldom if ever voiced.

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Britain's Super-Rich

The rich get richer by 30% in just a year - SUNDAY TIMES, 18 April 2004.

Britain's top 1,000 richest people have seen their wealth increase by almost 30% in the past year, the highest rise since THE SUNDAY TIMES RICH LIST began 16 years ago. Briefly, here are a few basic facts. The top 1,000 have accumulated more than £200 billion between them, and in the past 12 months their fortunes have increased at 15 times the current rate of inflation.

Philip Beresford, who compiles the RICH LIST, explained this almost with pride:

Our [sic] millionaires are getting richer quicker than any others in the world. We have a benign period right now. We have a stable economy, relatively low inflation and interest rates, high employment, booming house prices and consumer spending, and general stability. And at this moment all those fortuitous circumstances have made London the boom town of the new millennium.

But what on earth can "*our millionaires*" do with all this dosh? The mind boggles. There is surely a limit to how many fancy dress parties you would really want to give or go to, and a limit to how much gorgous Gucci gear you would want to keep buying. Apparently, the so-called 'super-rich' are being credited for a 100% increase in the number of 'super-yachts' in the world. For instance, the Russian oil and gas tycoon, Roman Abramovich, currently the richest man in Britain, has recently "*unveiled the luxury interior*" of his £72m motor yacht Pelorus, which has a crew of 40 and costs a mere £7m a year to run.

Philip Green who owns a good many high street stores, is ranked fourth on Mr Beresford's list, and Lakshmi Mittal, the Indian steel magnate and friend of Tony, is fifth: "*Green's fortune has doubled, Mittal's has nearly trebled.*" At

number 1 is Mr Abramovich whose fortune, estimated to be £7.5 billion, is increasing at £441.2m a year, equivalent to more than £50,000 an hour.

But *how* is this done? Marx (CAPITAL, vol 1, chap. XXVI) told this ironic fable:

In times long gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals... Thus it came to pass that the former sort accumulated wealth, and the latter sort had at last nothing to sell except their own skins. And from this original sin dates the poverty of the great majority... and the wealth of the few that increases constantly although they have long ceased to work.

Luckily for the 'super-rich', they have others slaving for them, day and night, to make them ever richer. That's the trick, once you've got your hands on a fortune.

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Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class

emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

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